RESERVED

App. F. IX-4

Previous References

1933-34 (C.7.)

File No. 385-33

Serial Nos.

Preserve

Later References.

~~XX~~ H.79-34 & 1.8.11.18.

87.75-38 (Hz)

Ft. 129-38, Pts. 1-2.

Cr ~~XXX~~ 185 Hz

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

91 37/(E)

Part B for May 34

SUBJECT.

Accounting of Charges connected with the Collection and the Preparation of Sandalwood under an Advance head.

H 7415-17 dt 11.5.34 to ~~the~~ Chief Conservator of Forests-Accomplishments Director. S.G.A.

Papers ~~return~~ as above.

WD 01965—GPB—15,000—7-7-34

21/8/34

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

General and Revenue Secretariat 920

Requisition for papers

Section ~~C B~~ G. T.

A

B

Filed

Deposit No.

File No. 363-33

Serial No. 1—10

To be put up with Diary No. 157 of 1937.

Signature

Branch CB

Section

Date 14/2

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Requisition for papers

Section G7

A

B

Filed

Deposit No.

File No. 363-33

Serial No. 11693

To be put up with Diary No. 1575 of 193

Signature Shankaranarayana

Branch CB

Section

Date 14/2/36

Serial No.

12 55

1 Attention is invited to the correspondence placed below which deals with the measures necessary for adequately safeguarding our sandalwood interests.

2 Under the existing arrangement, the amount of grant for exploitation of sandalwood is not sufficient for the extraction of all the dead wood available in the forests. This wood is a very valuable material and it is not right that any portion of it should be left in the forests to be stolen or destroyed by fire. The Chief Conservator of Forests estimates that 3,500 tons of wood could be exploited annually and that this operation costs Rs 1,40,000 at the average rate of Rs 40 per ton. Out of this quantity, roughly 2,500 tons of heartwood can be made and supplied to the Sandal Oil Factory for distillation. Owing to reduction in demand for oil, the Factory is unable to take more than about 2,000 tons a year. I don't think it is right to deduct from the sale proceeds of oil the cost of exploitation of more wood than has been taken over by the Factory for distillation. Cost of extraction relating to the quantity unissued to the Factory might be held in suspense under an advance head. If this arrangement were adopted, the amount required for the extraction of all dead wood would be at the disposal of the Department and the cost of exploitation could be worked off as the issues of wood are made to the Factory.

3 A similar arrangement might be adopted in regard to the cost of preparation of wood in

wp-2087—6M—500—25-8-31

Serial No.

in a condition fit for issue to the Factory. The cost relating to the unissued wood might remain under the suspense head pending clearance.

A 4 The cost of Inam wood might also be dealt with in the same manner and transferred to the head of ~~the~~ Sandal Oil Factory when the wood itself is taken over by the Factory.

5 All other charges - items c, d, f, and, g in the Chief Conservator's letter dated 9th March 1932 are final in their character and may be charged off in the year in which they are incurred.

6 A very large quantity of rough wood is stored in the Bangalore Koti exposed to theft and fire. It is most undesirable to leave it in this unprotected condition. The Chief Conservator of Forests was asked to get up an estimate for a cheap structure using creosoted Balgi poles and zinc sheets. He ~~wrote~~ stated that the cost of ~~the estimate~~ would be about Rs 16,000. This sum might, I think, be provided in the next year's budget under the head of 'Sandal Oil Factory'. Similar cheap structures for the protection of unprepared wood would be necessary in other large Kotis and grants required for this purpose may be made in subsequent years according to a programme which aims at providing these buildings in three or four years. It is reported that Kotis other than those at Bangalore and Mysore provide adequate accommodation for the storage of prepared wood.

B 7 Further action may be taken on this note after reference to the Financial Secretary.

Final Secy Wills Corrp 5

NOTE— Contn. Sheet

WD 2087—GPS—500—25-5-31

Gen.Secy. with compliments.

Ft 4801/14-5-32

General and Revenue Secretariat — P. & J. File No. 385 of 1933.

Serial No.

FC 480 / 14/6

9 Forwarded with compliments. The Comptroller is requested to give his remarks, if any, regarding A. The provision proposed at B may be made in the Forest budget for 32-33. Sandal oil working expenses.

14.5.32

COMPTROLLER'S OFFICE
Rl 06345
14 MAY 1932
Bks Hqrs
...RE.

EARLY.

94 16/5/32 Bks

No E2555/AD 31-5-32

N.J. 1018 22.6.32 W.A. 10 min

No. 240 220/8/L 3/1/1933

F... Early

1482 4/1/33

9 U.O.No.153/WAD Mis (Ft) dated 23-12-32

10 Returned with compliments.

11 Under the present system of classification, the charges incurred by the Forest Department for extraction of Sandalwood irrespective of the quantity of wood taken by the Factory are booked under II.Forest 1.Sandal Oil Net Receipts. The proposal is to revise this method by showing only the proportionate charges for wood actually taken over by the Factory against the Factory and the balance under an advance head. How the balance under the Advance head will get cleared if the wood is not disposed of by the Department does not appear. If large quantities are not taken over by the Factory, later and the stocks cleared the advance will remain outstanding. The balance may even increase year by year. The charge incurred is however final and it does not seem desirable to classify a portion or the whole of it under an advance head. If a change is ~~[illegible]~~ necessary, the entire charge may be classified separately under II.Forest Conservancy and Works and adjustments effected for wood actually taken over by the Factory by transfer to "II Forest Sandal Oil Net receipts."

M. Venkatesalyengar

Note—Contn. Sheet.

Comptroller

PTO

4 "Forest Expenses"

C.2 File No. 388 of 193 3 | General and Revenue Secretariat

12 I agree with the Comptroller. The charges referred to have been included under Forest Expenses. The Suspense head if any may be within this Service head.

(Secy)

23.1.33.

4801-32

OFFICE OF THE FINANCE SECRETARY
25 JAN 1933
No. C785

1st made

RS 24/1/33

I am not convinced by that the Compt's views Correct. I wish to discuss this with H Secy

Fin. Sec

Secy 26-1-33

26.1.33.

13 This point was incidentally discussed in the Council meeting on 12/5 in Connection with the Budget proposals.

14 The disadvantage in charging to the Revenue head the Collector charges on the Entire Granting of Sandal wood Coupes ~~was part of~~ whether it Even a portion of when it is unsold or not Converted into oil is ~~to be made~~ as follows:—

(1) It leaves the amount that could be made available for collecting the dry wood that may be lying in the Forest Subject to Budget Exigencies ~~as~~ and as there is financial stringency only a small amount will be made available in the Budget and the Collection Operations will be restricted thereby.

(2) When all available wood is not Coupled but is left in the Forest, it is liable to be

Serial No.

damaged by fire causing loss of valuable wood or removed and sold by smugglers interfering with the sandal oil market.

(3) Further the charge to the Revenue Head adds to our deficit, while as a matter of fact there is valuabl material in the stores, the value of which could very well be shown as capital expenditure relieving the Revenue Budget.

I therefore think on reconsideration that there is much to be said in favour of showing sandal extraction charges under an 'advance' head, in the same way as the price paid for opium or arrack.

16 It has been suggested in the Member's note dated 12-5-32 that out of the several items of expenditure in connection with sandal wood, the expenditure incurred in connection with (i) the collection of Rough Sandal wood (ii) cost of conversion of the Rough sandal wood into a condition fit for issue to the Sandal Oil Factory and (iii) the cost of Inam wood purchased, may be booked under an advance head in the first instance and a portion of this, proportionate to the quantity actually issued to the Sandal Oil Factory, adjusted against the final heads; and other items such as (a) transport charges, (b) payment of sandalwood bonus, (c) Artificial regeneration charges and other incidental charges, booked directly under Forest Expenditure. If this procedure is to be adopted, the detailed arrangement will be as under:-

(i) Charges relating to A above will be booked under an advance head in the first instance.

(ii) At the end of each year, the proportionate

NOTE—Contn. Sheet.

WD 0246 -GPB—15,000—22-8-32

5443

12 JUL 1933

File No. 385 of 193 J. | General and Revenue Secretariat

charges incurred in respect of Sandalwood actually issued to the Sandal Oil Factory during the year, may be calculated and adjusted in the accounts by debit to "II Forest, 1. Sandal Oil Gross Receipts -- Deduct charges for extraction ~~an~~ of Sandal Wood", the balance under the advance head representing charges incurred in respect of the wood in stock in the several kotis of the Forest Department.

(iii) To enable the Comptroller to effect the above adjustment, the Chief Conservator will send to him a stock account in respect of both Rough wood and prepared wood and also a statement of the transactions under the advance head.

17 The Comptroller's opinion may be invited on this arrangement. If it is approved, this will be placed before the Finance & Taxation Committee and if introduced in the current year, a supplementary grant under the advance head may be obtained from the Legislative Council.

18 The Dewan was pleased to say that this may be settled in the 2nd Mtg.

2nd Mtg

19) A Paper do this

(2nd Memo about an other only)

3.7.33.

Fl 4801/31

Memo.

Forwarded with compliments to the Comptroller for favour of opinion.

By order

13/7/33

for Chief Secretary

1933-34

Expenditure on Sandalwood collection & preparation to be shown under Advance [illegible]

[App. F. III—2

General and Revenue Secretariat C-7 File No. 385 of 1932

71/Spl of 4/8/33

Serial No. 33/215 of 2-8-33

20) Returned with Compliments.

If it is considered necessary and desirable to have an advance head for booking the expenditure under consideration the procedure proposed is suitable. The manner of adjustment each year will have to be prescribed in some detail. M. Venkatesalayengar

21/8/33 Comptroller

21) Sub. minute refers. para-19

Secretary

8/8/33

II Member)

22) I agree in the proposal made & agreed to by the Fd Secy. I would suggest that the stock at any time shd not exceed a defined limit say 2 years average Supply to the S.O. Fy, with a view to see that too much capital is not locked up.

23) The question of having a Structure & the Bze & other Kotis referred to para 6 of the Offg Dewan's minute of 12-5-32 should also be pursued further.

24) The proposal may be placed before the Fd & Tariff Committee as suggested by the Fd Secy

25) Fd Secy

Secretary 22/8

23/8

NOTE—Contn. Sheet.

Office of the Second Member of Council. 9 AUG 1933 No. 5-C.I.

WD 70—GBPM—60,000—13-8-31

1312
Jt
5413
1163

C.J. File No. 385 of 1933.

General and Revenue Secretariat

~~Sec~~)

Fl. Br. with Comm/Rs

mv.
26/8

25 It is for orders whether further action may be taken after the proposal is placed before the Finance & Taxation Committee.

DS for note 1

28/8/33

26 Fl Secy) 28/8/33.

27. action has to be taken in the Fl Branch vide para 24 when the F & T. Committee is convened. As regards paragraph 3, it is for the Admn Branch to take action.

29.8.33

28 Action taken separately about Bangalore Tamil Kutti & other Kutties in Fl. file 111 of 33. This may be put up to Fl. Br. for further action.

mv.
21/10

Yes
21/10/33

29 Copies of the Proceedings of the Meeting of the F & T. Com: is placed below (Fl:9) This may now be allowed to Fl. Br. for further action.

yes.

~~Fl Secy~~) 11.12.33.

11/12

G. M Branch

30 Got back from G. M Branch on 15.2.34. Draft Govt order submitted for consideration.

20.2.34

31 Fl Secy) 20/2/34.

FINANCIAL DEPT.
2 OCT. 1933
1312

[App. F. III—2

General and Revenue Secretariat | File No. 3 05-H of 1932.

Serial No.

To Compn with Compliments for remarks if any

1.3.34.

No. 154/W.A.D mis/Ft. 23.3.34.

33. Returned with compliments.

2. The procedure proposed is suitable.

3. It is presumed that the revised method of accounting will not apply to the stock of sandalwood collected in previous years & lying in Kotis on 1st July 1934, the charges in respect of which have already been finally charged off in the Revenue Accounts of previous years. In this view sub-paragraph 5 of paragraph 5 of the order requires to be modified. Even as regards this year's collection the same procedure would be best the new Advance Head starting with a nil balance on 1st July 1934.

M. Venkatesalyengar

Comptroller.

I have made a slight change making the arrangements applicable to the accounts of 33-34. Comptr with kindly state if this will do - I have given the necessary closed date -

30/3

31.3.34

WD 70—GBPM—60,000—13-8-31

1C

C.J. File No. 38-13/2/H of 1933.

General and Revenue Secretariat

U.O.No.165/ WAD Misc Ft dated 28th April 1934

35 Returned with compliments.

653/S&C
30/4/34.

2. It is presumed that the revised method of accounting will not apply to stock of Sandalwood collected prior to 1933-34 and lying in Kotis on 1st July 1933 the charges in respect of which have already been finally charged off in the Revenue accounts of previous years. This may be made clear in the order.

A

FINANCIAL SECRETARY
RECD 1 MAY 1934
Rs.

3. The adjustments proposed in the draft order can be made from the current year provided the Chief Conservator of Forests furnishes the necessary stock and other statements to this office before the end of July 1934 as required in Sub Para 4 of Para 3.

M. Venkatesalyangar
Comptroller

CV

Submitted

JG A is the intention. No modification in the govt order is however necessary in the matter.

JG The draft government order ~~is~~ is submitted for approval.

2/W
1-5-34

38 H Secy) 1.5.34.

39 Asst Chan Draft 4/5

40 2/5/34.

Subd. with a typed draft

W 3/5-

TYPING SECTION 9 MAY 1934 GL

41. H Secy) 3.5.34

42 Mr)

44. Issue W H 7415-17 4.5.34. 3/5/34

OFFICE OF THE EXECUTIVE COUNCIL 8206

TYPING SECTION 2 MAY 1934 GENL. & REV. SECTT.

Dy. Secy

TYPING SECTION 5 MAY 1934 GENL. & REV. SECTT.

W 4/5 on

4/5/34

D.O.No. 122

30th March /32.

Dear Sir,

With reference to the correspondence ending with your D.O. letter No. 90-31 dated the 9th March 1932, I find it necessary to have some more points cleared up and I am accordingly writing this letter.

In the letter referred to you state that about 3,500 tons "is as much as can be adequately attended to by the existing staff". What I want is not the quantity which the existing staff is capable of handling, but the whole quantity which is there to be handled at all annually. The point we are discussing is whether we are extracting all the dry wood which can be found in the forests or whether the exploitation is really limited by the allotments allowed each year. If the grants have been found inadequate, or the staff is not sufficient, the quantity to be exploited might be more than 3,500 tons a year. Considering the value of the material, it is necessary that no part of it which can be moved into the Kotis should be left in the forests to be stolen or destroyed by fire or otherwise wasted. It is, of course, not possible to form any accurate estimate of the quantity which can be extracted if there ~~was~~ is enough staff or enough supply of funds. But for the purpose we have in view, namely, that of attempting complete exploitation, we want an estimate, however approximate, of the whole quantity exploitable. Against this, however, the information furnished in your letter is only about the quantity which, as you observe, "can be attended to by the existing staff".

Yourself and Dr. Watson are of the opinion that the oil content of unprepared wood does not diminish by exposure. The

results of some experiments carried out to ascertain the difference in the yields of exposed and unexposed woods, were reported to the Sandalwood Oil Board at its last meeting, and the general opinion held was that so long as the wood is kept in an unprepared condition and it has the protection which the sap wood affords, no harm is done by permitting the exposure of the wood to sun or rain. If this is the position, the need for providing shelter for unprepared wood does not exist. The idea, therefore, of having a large building at Mysore for storing all the wood, has to be abandoned.

The next question to be considered is how the unprepared wood should be kept to save it from risks of theft and fire. If all the wood is not to be kept in a central store at Mysore, the existing Kotis should remain and the protection required will have to be provided for therein. Please let me know what quantities of prepared wood can be kept under shelter in all the Kotis and what measures should be adopted for keeping unprepared wood unexposed to risks of theft and fire.

As the wood has to be kept in an unprepared condition for the adquate protection of its oil content, the programme of preparation should be closely cor-related to the demands of the Factory. Within limits it should be possible for the Factory to give the Forest Department an idea of its demand for prepared wood and with reference to it, the preparation work may be undertaken and the rest of the wood will have to be kept with the sap wood untouched.

With reference to what has been stated above, I should like to know what is the annual grant required for the extraction of all the exploitable wood that may be expected to be found in the forests. Unless we adopt this plan of exploitation, we shall not be in a position to know our real resources

13

in wood; and until we know these resources, we shall not be in a position to regulate our policy of oil sales, or to adjust our attitude towards the purchase of wood of Madras and Coorg Governments or to determine the course of action to be taken by us to minimise or prevent the competition of ~~the~~ Australian oil.

Yours sincerely,

B. V. Ramiengar, Esq., B.A.,
Chief Conservator of Forests,
BANGALORE.

14

MM 94.

29th February /32

Dear Sir,

With reference to our conversation the other day in regard to the better exploitation and custody of sandalwood, I should like to have some particulars for formulating proposals for reducing this matter to order. The problem is of great importance and I think we had better take early action to have the future policy decided as quickly as possible so that any arrangement adopted may come into operation from the next budget year.

2. I take it that under the existing procedure the annual exploitation of sandalwood is limited by the allotment made by the Railway for the purpose. It seems to me that the position should be exactly the other way about. We exploit only dry wood and in view of the very high value which this material commands, the policy of extraction should aim at collection of all dry wood awaiting exploitation. I should like to have an estimate of the total quantity of wood which can be collected every year from all the forests and of the average rate per ton for collection. Any forecast of the quantity exploitable can only be approximate, but we must have some estimate, however rough, on which to base our calculation. The cost of transport of the collected wood to the several depots and that of its preparation for reducing it to the condition in which it should be stored for issue to the Sandal Oil Factory are other items of outlay which should also be taken into account and we should assume for this purpose an average rate perton.

3. We might take the average demand for wood of the Sandal Oil Factory in the past three or five years and the storage room available in the Factory, and with reference to these factors and

to

to the programme of annual exploitation which should aim at covering the whole quantity of wood available for gathering, we might see what would be the maximum quantity of wood requiring a new storage building. Taking the ~~xkxm~~ floor area of this building and the nature of the roof it requires, an estimate of the cost of its construction may be made.

4. The outlay incurred on the erection of a storage building and on annual extraction of wood might be treated as an advance on the security of the wood exploited and kept in custody if it cannot conveniently be spared from the general revenue account of Government. This advance account could be relieved year by year by transfer to the factory of the extraction, preparation and transportation charges of the wood issued to it and also of a share of cost of the building spread over a stipulated period.

5. The existing arrangement for storage is very unsatisfactory and affords considerable scope for leakage and wastage. Loss by fire in the rural areas and prompt action is called for to save the stocked wood from this serious risk.

6. If it is decided to hold the whole wood in custody at Mysore, it is necessary to consider in what respects the organization and working of the several Kotis should be revised.

Yours sincerely,

To

C. V. Krishnaiyer, Esq., I.F.S.,
Chief Conservator of Forests,
BANGALORE.

9

Sandal-wood.

	23-24	24-25	25-26	26-27	27-28	28-29	29-30 30-31	30-31 31-32	31-32	
1. Quantity exploited- Prepared wood. Tons.	1,237	2,136	1,774	1,773	2,115	2,088	2,174	1,762		
2. Extraction charges- Rs.		"	1,10	98	1,15	1,53	1,72	1,38	1,75	*30, surrendered
3. Quantity supplied to S.O.F. Tons.	1,496	1,895	1,705	1,757	2,090	2,360	2,197	1,432		
4. Quantity distilled. "	1,362	1,697	1,800	1,674	2,021	2,268	2,202	1,418		
5. Av. Net Revenue-per ton	1,224	1,162	1,264	1,214	1,211	1,249	1,400	1,493		

	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31 R	31-32 B
Exploitation				Tons – Prepared Wood					
Mysore	261	485	308	331	347	394	281		
Shimoga	328	345	297	246	292	274	245		
Jaga	106	130	151	211	152	148	192		
Bhadravathi	167	301	233	254	274	224	278		
Chitaldrug	..	..							
Kadur	207	358	337	357	264	158	324		
Hassan	81	312	280	206	261	257	252		
Bangalore	70	106	132		509				
Kolar	1	25	12	168	16	631	602		
Tumkur	16	75	24		..				
Total Tons	1,237	2,136	1,324	1,773	2,115	2,088	2,174		
Quantity supplied to J.O.F.	1,496	1,895	1,705	1,757	2,090	2,360	2,197		
Annual extraction charges			110	98	115	153	172	138	175 ± C

Rs. 30/- per annum

Quantity worked	1,362	1,697	1,800	1,674	2,021	2,268	2,202	1,418	
Av. Net Rate per ton	1,224	1,162	1,264	1,214	1,211	1,249	1,400	1,493	

Annual rate per ton

artificial propagation of sandal.

The average rate on the whole works out to little over Rs.100 a ton.

3. Storage room required.-The demand for sandalwood from Sandal Oil Factory has not been steady. At present the preparation in the several koties is determined by the demand of Sandal Oil Factory and the stocks are held partly in the shape of roughwood stored in the open yard adjoining the koti exposed to sun and rain, affording very little protection against pilferage or fire risks and partly as assorted wood in rooms under lock and key. At the end of last year, the position was that there was a stock of 3893 tons of roughwood and 674 tons of good wood after meeting all the requirements of Sandal Oil Factory viz., 1432 tons. It looks to me as if a provision has to be made for storing at least 2000 tons at a time if storage of assorted wood is to be centralised in any one locality and if the preparation of roughwood in any koti is to keep pace with the incoming roughwood so that at any particular time there may be only the smallest possible quantity of wood in stock in any of the koties. But, here, one main circumstance is to be taken into consideration. The collection of roughwood in the forests takes place during the rains when transport to the koties is impossible. The transport of wood generally starts from November onwards with breaks during the harvest and thrashing season and goes on till about the end of April. All this time preparation will be simultaneously going on at the koties but willfall far short of the incoming rough wood which will generally be worked off during the rains, when

when receipts of sandalwood at the koties will be practically nil. The position will be that while there will be little or no assorted wood in stock there will always be an appreciable quantity of roughwo on hand, at the several koties. Provision will therefore have to be made for the proper storage of rough wood and also for the small quantities of assorted wood that will always be on hand between the ti e of preparation and consignment to Mysore.

4. As regards koties in Sagar, Thirthahalli and Chikmagalur, prepared wood will also have to be stored during at least the four heavy rainy months of the year, i.e., July to October. If a central storage at Mysore is to be established, the available covered space in the other koties may be made use of for storage of rough as well as assorted wood and this arrangement will avoid construction of storage sheds for storing rough wood. As stated above, a storage building to hold 2000 tons will have to be constructed at Mysore. Since the oil contents differ considerably in sandalwood obtained from different districts it will perhaps be desirable and even necessary to keep each class of wood of each district separately and provide storage accommodation accordingly. The type of building required for storage purposes should be similar to that of the Sandal Koti at Shimoga; this building consists of long storage rooms with slab flooring and tiled roof reinforced with ceiling tiles to keep the inside of the rooms cool. This koti is capable of holding 500 tons of assorted wood and was constructed at a cost of 40,000 rupees in 1911. About four times the size of this building will be required to store 2000 tons. The cost of the construction will be about 2 lacs of rupees inclusive of all appliances for fire protection. If the proposal is

D. O. No. .....

MR. B. V. RAMIENGAR, B.A.
CHIEF CONSERVATOR.

OFFICE OF THE CHIEF CONSERVATOR OF FORESTS
IN MYSORE.

Bangalore, ...193 .

is approved, necessary plans and estimates will be got prepared through the Public Works Department.

5. I have already indicated in para 3 that the existing koties will have to continue as at present with slight modification viz., the non-storage of assorted wood. The staff employed in the koti consists of either a last grade Ranger or a Forester with a couple of Guards, except in Bangalore district, where a Sub Assistant Conservator is employed instead of a Ranger because he is in charge of Lac work in addition. This is about the miximum staff that is employed in each koti and there is no scope for retrenchment in this respect. On the other hand, the Mysore Establishment will have to be considerably - strengthened. It should be in charge of an Officer at least of an Assistant Conservator's Grade. He must be given the help of one Ranger three Foresters and Six Guards besides an Office Establishment consisting of one Accountant, three clerks and 3 peons. The average cost of this Establishment per year will be Rs.10,225. ~~and t/a.~~

The expenditure proposed is not exorbitant considering the valuable nature of the wood handled, which at any time cannot be anything less than about 25 lacs of rupees. The safety provided for this produce is almost nil. This state of affairs is obviously too risky and should not be permitted to continue.

Yours sincerely,

B. V. Ramiengar

Rajakaryaprasakta Diwan Bahadur
M.N.Krishna Rao, Esq., B.A.,
Member of Council, Bangalore.

D. O. No. .....

MR. B. V. RAMIENGAR, B.A.
CHIEF CONSERVATOR.

OFFICE OF THE CHIEF CONSERVATOR OF FORESTS
IN MYSORE.

Bangalore, ...193 .

ROUGH SANDALWOOD	1928-29	1929-30	1930-31
OPENING BALANCE	970 tons	1,901 tons	2,717 tons
collection during the year.	3,464 "	3,437 "	3,460 "
Total	4,434 "	5,338 "	6,177 "
Prepared	2,533 "	2,621 "	2,184 "
Balance	1,901 "	2,717 "	3,993 "

GOOD WOOD			
OPENING BALANCE	664 "	385 "	357 "
Prepared during the year	2,089 "	2,179 "	1,762 "
Total	2,753 "	2,564 "	2,119 "
Supplied to the Sandal Oil Factory	2,360 "	2,197 "	1,432 "
Retail sale etc	8 "	10 "	13 "
Balance	385 "	357 "	674 "

B. V. Ramiengar

Chief Conservator of Forests.

D. O. No. 115-31

MR. B. V. RAMIENGAR, B.A.
CHIEF CONSERVATOR.

14.4.32

OFFICE OF THE CHIEF CONSERVATOR OF FORESTS
IN MYSORE.

Bangalore, ...12th....April.....1932.

Dear Sir,

I beg to acknowledge the receipt of your D.O. letter No. 122 of 30th March 1932. As stated by you it is not possible to form any accurate estimate of the exact quantity of dry sandalwood available for extraction every year. From experience I think it would be safe to presume that the yield will not be very much over 3,500 tons annually.

I have been always of opinion that rough sandalwood if collected and stored by the Department with a thin layer of sapwood covering the heartwood, has no deleterious effect on the yield of oil. But, the main problem is its protection from theft and fire. Covered go-downs would be advantageous in the long run; and in my official letter No. D.1-104-1136/31 dated 19-1-1932 to Government, I have suggested erection of substantial buildings within the area adjoining the existing koties, to store the unprepared wood. I have also indicated therein that the total cost of putting up sheds would be about 2 lakhs and this expenditure may be incurred in the course of about two or three years.

The existing koties have adequate accommodation for storing prepared wood that will have to be kept ready by the department towards the requirements of the Sandal Oil Factory. No further accommodation in this respect is necessary except in Bangalore and Mysore where the available accommodation is in-

inadequate. The extra accommodation that may be required will be added on when required at a small cost which can be met from the grant provided for extraction of roughwood.

I beg to state that the Department has no alternative but to adjust preparation of sandalwood to the requirements of the Sandal Oil Factories; but it is often felt that indents for chilta classes are postponed with the result that these classes accumulate in the koties. Such accumulation reduces the available storage room since these classes take up considerably more room. Further I beg to state that in the interests of Government Revenue it is much better that chiltas should be distilled as early as possible as the wood deteriorates with long storage.

With reference to the last para of your letter, I beg to state that the amount required is Rs.2,77,500/- as detailed in the second para of my D.O. letter of 9th March 1932. In addition to this a sum of Rs.82,000/- is required for the following purposes:-

Rs. 75,000/- for construction of storage sheds as reported in my letter No. D1-104-1186/31 dated 19-1-1932 to Government;

Rs. 1,000/- for Sandal Valuation Survey Operations;

Rs. 6,000/- Miscellaneous-purchase of tools stores etc.

N.B:- The above proposals of expenditure do not include provisions for charges for Prevention of Sandalwood Smuggling and Spike Investigation.

With my experience and knowledge of the resources of the State, I feel that there is absolutely no difficulty of putting on the market 2,500 tons of prepared wood, for several

D. O. No. .....

MR. B. V. RAMIENGAR, B.A.
CHIEF CONSERVATOR.

OFFICE OF THE CHIEF CONSERVATOR OF FORESTS
IN MYSORE.

Continuation sheet. *Bangalore,* .....*193* .

several years to come. The only factor that prevents me from assuring a permanent annual output of 2,500 tons, is the spread of spike. It is desirable that any policy with reference to the disposal of sandal oil should take into consideration the fact of finding a market for disposal of at least 2,500 tons of wood every year. I beg to state that to decide the policy in view of what I have stated above, there appears to be no necessity to accumulate large stocks of wood at our koties. Storage of more than a year's stock of rough wood at the koties is inconvenient and attendant with grave risks. The Madras and Coorg Governments have been selling more wood than they used to in the pre-factory years, while the Mysore quantities have been on an average about ½ and 2/3rds of the corresponding period. The fact that our marketable quantities should have a down-ward tendency while our neighbours have been improving and have taken and are taking full advantage of our policy, is a disquieting factor so far as the Forest Department is concerned. It rather pains one to see that the Mysore Government under the present policy, should be compelled to purchase Coorg wood, automatically curtailing to that extent, the utilization of the natural resources of the State. I would urge upon you the advantages of revising our policy which should aim at selling larger quantities, if necessary, at lower prices. If this step is taken I think we

27

can capture a portion of the trade usurped by the West-Australian Oil in recent years. At the same time, there will be less incentive to put on the market adulterated oil. It is also probable that lower prices may increase the quantities used by the consumers in their several trades and lastly, - there may be less eagerness on the part of chemical experts to investigate the possibility of a synthetic product to replace sandalwood oil.

Yours sincerely,

B. Ramanujam

Rajakaryaprasakta Diwan Bahadur

M.N.Krishna Rao, Esq., B.A.,

Member of Council, Bangalore.

Perfume in Kodi - What is this?

C.7-385-33-1

Proceedings of the Govt. of H.H.
the Maharaja of Mysore.

Read -

Correspondence ending with communication No.115-31 dated 12th/14th April 1932 from the Chief Conservator of Forests, regarding the accounting of charges for the extraction of sandalwood.

2. Comptroller's Unofficial Note No.71 Spl. dated 2nd August 1933 in the matter.

Order thereon No. Fe 7415-17

Dated, 11 May 1934.

At present the undermentioned charges incurred by the Forest Department in connection with the extraction of sandalwood are booked under the Revenue head "II Forest - 1 Sandalwood oil gross receipts - Deduct charges for extraction of sandalwood" --

(i) Charges for the collection and preparation of sandalwood.

(ii) Purchase of Inam wood.

(iii) Transport charges.

(iv) Payment of sandal bonus.

(v) Artificial regeneration charges.

2. The disadvantages in charging to the Revenue head the collection charges on the entire quantity of sandalwood collected even when a portion of it is unsold or not

not converted into oil are: -

(a) The amount that could be made available for collecting the dry wood that may be lying in the forest is limited to the budget provision under the Revenue Head, which has closer reference to the ~~sale~~ proceeds of oil sold during the year, and in view of the smallness of the provision, the collection operations are to be restricted. If all available wood is not collected but is left in the forest, it is liable to be damaged by fire causing loss of valuable wood or liable to be removed and sold by smugglers, interfering with the sandal oil market.

(b) The charge under the revenue head is unnecessarily increased as a portion of it represents the cost of valuable material in the stores and has therefore to be regarded as capital expenditure.

3. It is considered desirable to show under an advance head- outside the Revenue Account-the expenditure of the Forest Department in connection with the collection and preparation of sandalwood, the charge under the advance head being ~~xxxxx~~ cleared at the end of each year by debit to the Revenue head - II Forest" to the extent to which sandalwood is actually supplied to the Sandal Oil Factory, the balance under the advance head at any time representing the value of wood remaining in stock in the forest department. The question was referred to the Finance and Taxation Committee in December 1933 and in

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in accordance with their recommendation, Government are pleased to pass the following orders regarding the accounting of these charges -

(i) The charges referred to in (i) and (ii) of para 1 above, viz. the charges connected with the collection of rough sandalwood, cost of conversion of the rough sandal wood into a condition for issue to the sandal oil factory and the cost of inam wood, will be booked under an Advance head in the first instance.

(ii) The charges referred to in (iii) (iv) and (v) of para 1 will be booked directly under the Revenue head " ₹II Forest" as hitherto.

(iii) At the end of each year, the proportionate charges incurred in respect of sandalwood actually issued to the sandal oil factory during the year will be calculated and adjusted in the accounts by debit to " ₹II Forest - 1 Sandal oil gross receipts - Deduct Chages for extraction of sandalwood" the balance under the advance head representing charges incurred in respect of the wood in stock in the several kotis of the forest department.

(iv) To enable the Comptroller to effect the above adjustment the Chief Conservator of Forests will arrange to send him annually before the end of July a stock account in respect of both rough wood and prepared wood and also a statement of the transactions under the advance head.

(v) The value of stock on hand at the

31

close of the current year will be arranged to be adjusted by debit to the advance head in the accounts of 1933-34.

4. Government also direct that the stock of sandal wood (both rough and prepared at any time should not exceed two year's average supply to the sandal oil factory, in order to prevent too much capital being locked up and that keeping this upper limit in view, the Chief Conservator should submit proposals for the provision required for the charges connected with the collection of wood during each year. Proper precautions should also be taken for the safe custody of the sandal-wood unexposed to risks of theft and fire.

5. Necessary subsidiary instructions regarding the accounting and adjustment of these charges will be issued by the Comptroller in communication with the Chief Conserator

8/5/34

Financial Secy. to Govt.,

To

The Chief Conservator of Forests
The Comptroller to Govt.
The Director of Sandal Oil Factory.

ACH.

Extract of the Proceedings of the meeting of the Finance + Taxation committee held on 9.12.33 (Minutes not yet approved)

The Committee agreed to the new account procedure suggested for adoption.

32

33

15 copies to be typed

General and Revenue Secretariat | File No. | of ~~193~~ . | [App. F. III—2

Serial No.

Subject:- Account procedure for exhibiting charges incurred for collection of sandalwood by the Forest Deptt:

1. At present the charges incurred by the Forest Deptt. for extraction of sandalwood are booked under II Forest. 1 Sandal oil Ret. Receipts 2. Departl. charges for extraction of sandalwood

2. The disadvantage in charging to the Revenue Head the collection charges on the entire quantity of sandalwood collected even when a portion of it is reserved or not converted into oil is as follows:-

(a) It leaves the amount that could be made available for collecting the dry wood that may be lying in the forest, subject to budget exigencies. As there is financial stringency, only a small amount will be made available in the budget and the collection operations will be restricted thereby.

(b) When all available wood is not collected, but is left in the forest, it is liable to be damaged by fire causing loss of valuable wood or removed & sold by smugglers interfering with the sandal oil market.

(c) Further the charge to the Revenue head adds to our deficit, while as a matter of fact there is valuable material in the stores, the value of which could very well be shown as capital expenditure relieving the Revenue Budget.

3. But of the current items of expenditure incurred in connection with sandalwood, the

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

File No. of 193 . General and Revenue Secretariat

Serial No.

~~expenditure~~ charges incurred in connection with (i) the collection of rough sandalwood; (ii) cost of conversion of the rough sandal wood into a condition fit for issue to the sandal oil factory + (iii) the cost of Imam wood purchased, ~~may be~~ are booked under an advance head in the first instance & a portion of this, proportionate to the quantity actually issued to the factory adjusted against the final heads; other items such as cart transport charges, (b) payment of sandalwood bonus + (c) Artificial regeneration + other incidental charges being booked directly under Forest Expenditure. If this procedure is adopted, the detailed arrangement will be as under:

(i) charges relating to extraction of wood will be booked under an advance head in the first instance.

(ii) At the end of each year, the proportionate charges incurred in respect of sandalwood actually issued to the Sandal oil factory during the year will be calculated & adjusted in the accounts by debit to "II Forest - I Sandal oil Gross Receipts - Departmental charges for extraction of sandalwood". the balance under the advance head representing charges incurred in respect of the wood in block in the several Kottis of the forest Depots.

(iii) To enable the Compte to effect the above adjustment, the Chief Conservator will send to him a block account in respect of both rough wood + prepared wood + also

Serial No.

a statement of the transactions under the Advance head.

4. The Conservator who was consulted in the matter ~~proposal~~ states that ~~he agrees with~~ the ~~above~~ procedure outlined above is suitable - the manner of adjustment each year being prescribed in some detail which will be attended to in due course.

II Construction of Sandal Kotis.

A very large quantity of jungle wood ~~is~~ stored in the Bangalore Koti is exposed to theft & fire. It is most undesirable to leave it in this unprotected condition. The chief Conservator of Forests was asked to put up an estimate for a cheap Shed using unsorted Bargi Poles & Zinc Sheets. He states that the cost of such a shed will be about Rs 16,000. Similar cheap Sheds for the protection of unprepared wood will be necessary in other large Kotis & funds required for this purpose are proposed to be made in subsequent years according to a programme of construction - the expenditure being spread over a period of three or four years -]

This is not necessary for this Cover for 2nd II

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WD 0434—GPB—15,000—12-10-33

File No. of 193

General and Revenue Secretariat

Serial No.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE FOR FINANCE AND TAXATION HELD IN THE SECOND MEMBER'S CHAMBERS, FROM 1 P.M. TO 4-45 P.M. ON THE 5TH DECEMBER 1932.

Present.

S. P. RAJAGOPALACHARI, ESQ., B.A., B.L.,
Second Member of Council. *Chairman.*

Members.

1. MR. BELUR SRINIVASA IYENGAR, B.A., B.L.,
Member, Mysore Legislative Council.

2. ,, N. CHENNAPPA, B.A., B.L.,
Member, Mysore Legislative Council.

3. ,, S. C. MALLAIYA,
Member, Mysore Representative Assembly.

4. ,, MIR MUHAMED SAHEB,
Member, Mysore Representative Assembly.

5. ,, S. SORAPPA,
Member, Mysore Representative Assembly.

6. ,, BALE SIDDALINGA SETTY,
Member, Mysore Representaitve Assembly.

S. SHAMANNA, ESQ., B.A.,
Financial Seceretary to Government. *Secretary.*

I. The Schedule of Demands for Additional and Supplementary Grants to be placed before the Legislative Council was gone through and explained by the Chairman and the particulars required by the members were furnished. The grant of Rs. 90,000 under working advance for the Iron Works was not passed and all the other items were passed, with certain observations in a few cases as noted below :—

1. Additional Grant of Rs. 7,561 for Weights and Measures.

It was suggested that the Scheme of Weights and Measures may be introduced in places where important 'shandies' are held, that only seamless measures should be required to be used and that big measures like " Kolaga " may also be standardised.

2. Demand for Rs. 3,93,100 under 38, Krishnarajasagara Hydro-Electric and Irrigation Works.

The Committee remarked that as observed in Government Order No. Fl. 3009-11/G. F. 37-32-4, dated 2nd December 1932, sanctioning the Stores Budget of the Electrical Department for 1932-33, the Electrical Department should be required to submit the Stores Budget figures in time and the same included in the General Budget Estimates.

3. Additional Grant of Rs. 48,000 for the Silk Factory.

One member Mr. Belur Srinivasa Iyengar was against the grant of the sum of Rs. 22,000 for additional looms, etc., while agreeing to the re-grant of the lapsed amount of Rs. 26,000.

4. Demand for Rs. 6 lakhs under 39, Industrial Works and for Rs. 2 lakhs under 30, Loans and Advances for the Sugar-cane Factory at Mandya.

While approving of the scheme regarding the establishment of the Sugar Factory and the extra grants therefor which were explained at length by the Chairman, the Committee wished to observe that the Government nominees on the Board of Management should include three non-officials selected from among a panel of nine members elected from the Representative Assembly and the Legislative Council.

II. Report of the Banking Enquiry Committee.

Consideration of this subject was deferred to the next meeting.

S. SHAMANNA,

Secretary,

Finance and Taxation Committee.

WD—1275—GPB—50—23-12-32